



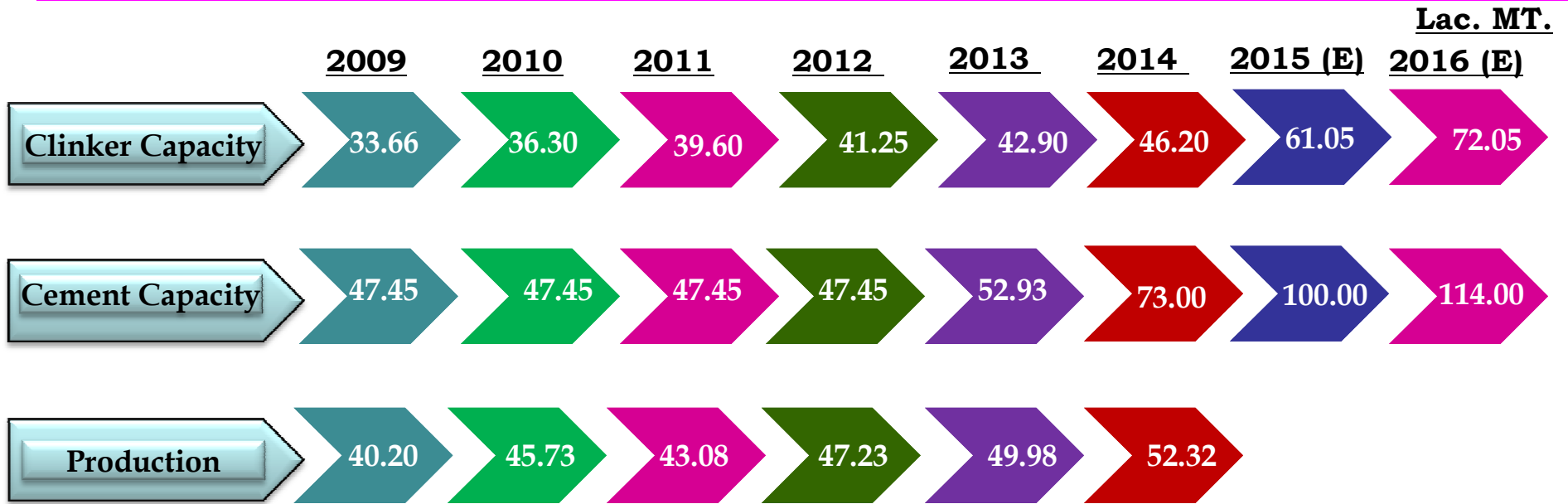
JK LAKSHMI 
C E M E N T L t d.

**Presentation at Investor's Meet
June'14**



JK LAKSHMI 
C E M E N T L t d.

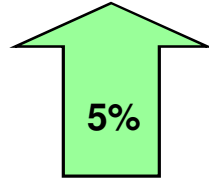
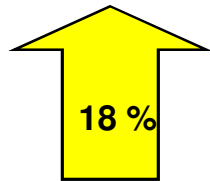
GROWTH CHART – CAPACITY & PRODUCTION



JKLC CAGR during FY'11 to FY'15 – 20%

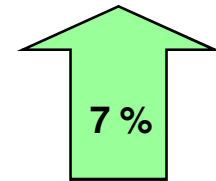
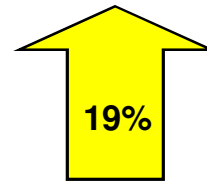
PRODUCTION (Lac. MT)

Qtr Ended		12 Months Ended	
31.03.2014	31.03.2013	31.03.2014	31.03.2013
15.77	13.41	52.32	49.98



SALES (Lac. MT)

Qtr Ended		12 Months Ended	
31.03.2014	31.03.2013	31.03.2014	31.03.2013
17.02	14.30	56.31	52.77



Industry Growth Vs JKLC –Year (Apr.-Mar.)

Demand/Despatches

Particulars	% Growth	
	Apr.11 - Mar.12 (12M)	Apr.12 - Mar.13 (12M)
All India	6%	5%
Our Zone	11%	4%
JK Lakshmi Cement	14%	8%



Capacity Utilisation – Year (Apr.-Mar.)

Particulars	Apr.11 - Mar.12 (12M)	Apr.12 - Mar.13 (12M)
All India	72%	74%
Our Zone	84%	84%
JK Lakshmi Cement	100%	94%



Markets

Split Grinding Unit of 1.30 Mn MT at Jhajjar, Haryana

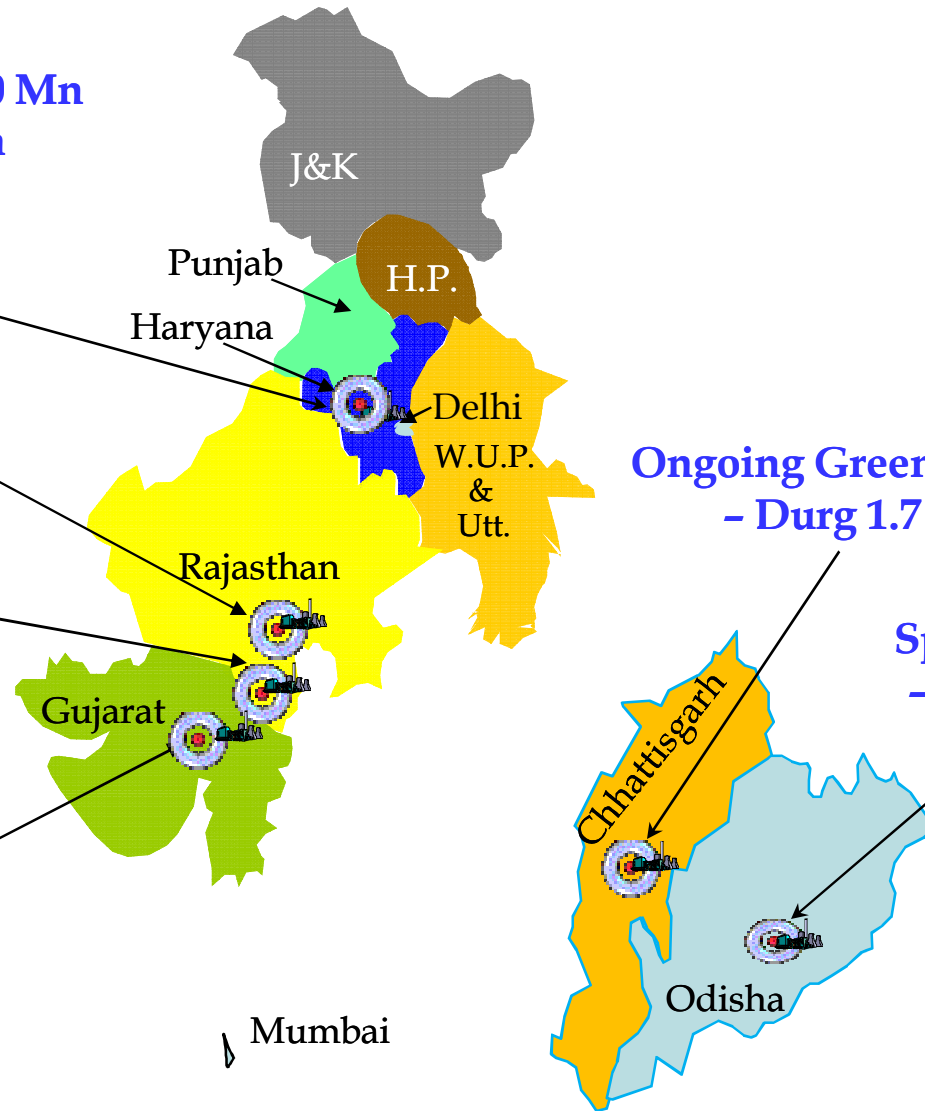
UCWL Plant 1.4 Mn MT

Jaykaypuram Plant 4.64 Mn MT

Kalol Grinding Unit 0.70 Mn MT

Ongoing Greenfield Project - Durg 1.7 Mn MT

Split Grinding Unit - Cuttak 1 Mn MT



Region-wise Cement Sales

Regions	2012-13	2013-14
	% sales	% sales
Rajasthan / MP	23	26
Gujarat	34	35
Maharashtra	8	7
North	35	32



Financial Highlights – For the Quarter ended Mar.14

Sr. No.	Particulars	Unit	For the IV th Qtr. ended			
			31.03.14	31.03.13	Incr. / Decr. (-) in Figures	%
1	Production (Incl. Clinker Sale)	Lac MT	15.77	13.41	2.36	18%
2	Sales	Lac MT	17.02	14.30	2.72	19%
3	Turnover	Rs. Cr.	722	598	123	21%
4	Net Sales	Rs. Cr.	648	536	112	21%
5	PBIDT (before other Income)	Rs. Cr.	112	95	17	18%
6	PBIDT (after other Income)	Rs. Cr.	137	119	18	15%
7	Interest	Rs. Cr.	19	18	1	4%
8	PBDT	Rs. Cr.	118	100	17	17%
9	Depreciation	Rs. Cr.	31	49	-18	-37%
10	Exceptional Items	Rs. Cr.	19	16	2	13%
11	PBT	Rs. Cr.	68	35	33	96%
12	PAT	Rs. Cr.	53	33	20	59%
13	Basic EPS (After Tax)	Rs.	4.49	2.78	1.71	62%
14	OPM (On Net Sales)	%	17%	18%	-1%	



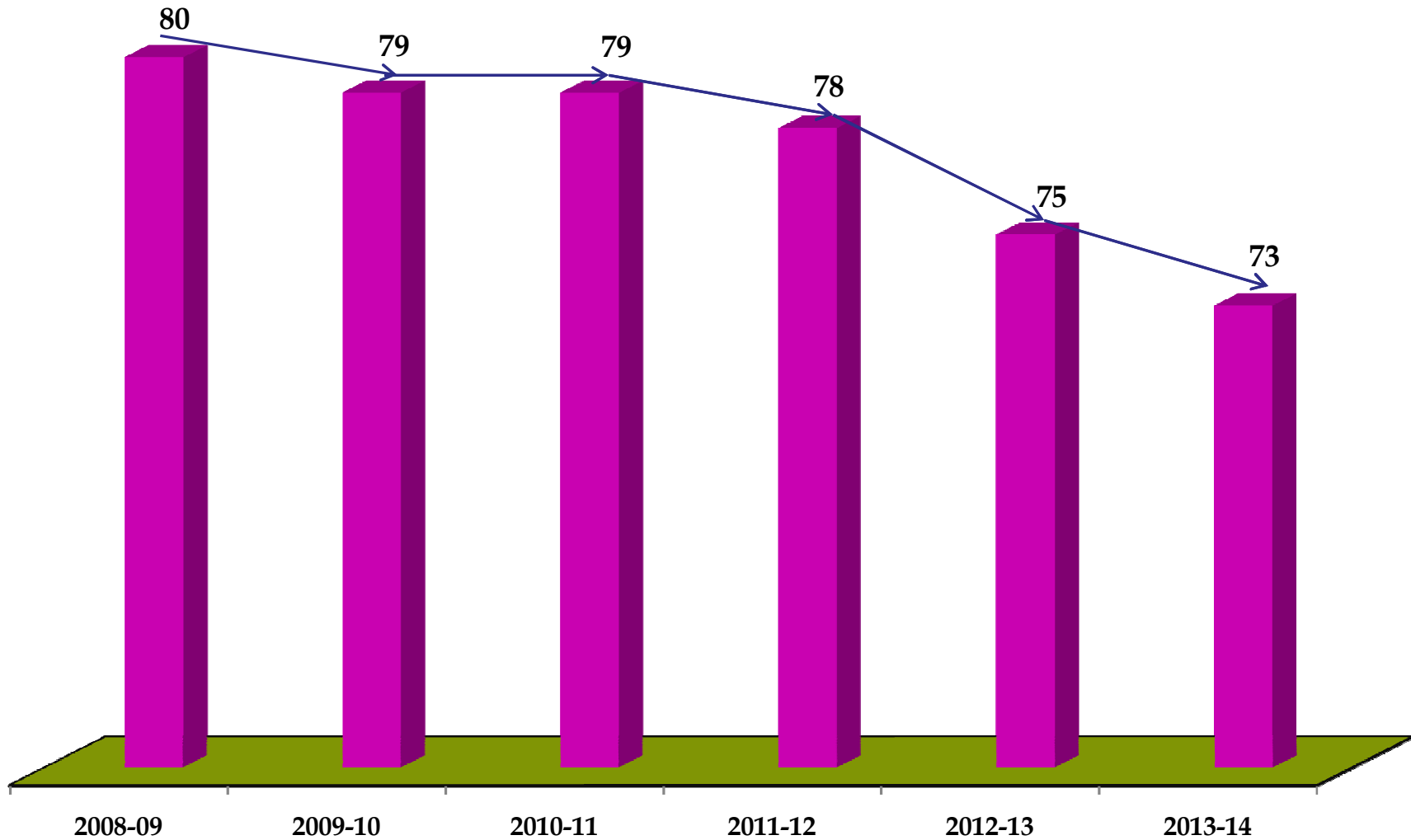
Financial Highlights – For Twelve Months ended Mar.14

Sr. No.	Particulars	Unit	For 12 Months ended			
			31.03.14	31.03.13	Incr. / Decr. (-) in Figures	%
1	Production (Incl. Clinker Sale)	Lac MT	52.32	49.98	2.34	5%
2	Sales	Lac MT	56.31	52.77	3.54	7%
3	Turnover	Rs. Cr.	2294	2300	-7	0%
4	Net Sales	Rs. Cr.	2057	2055	2	0%
5	PBIDT (before other Income)	Rs. Cr.	302	429	-127	-30%
6	PBIDT (after other Income)	Rs. Cr.	346	484	-138	-28%
7	Interest	Rs. Cr.	77	84	-6	-8%
8	PBDT	Rs. Cr.	269	401	-132	-33%
9	Depreciation	Rs. Cr.	135	149	-14	-9%
10	Exceptional Items	Rs. Cr.	19	16	2	-
11	PBT	Rs. Cr.	115	235	-120	-51%
12	PAT	Rs. Cr.	93	176	-83	-47%
13	Basic EPS (After Tax)	Rs.	7.90	14.88	-6.98	-47%
14	OPM (On Net Sales)	%	15%	21%	-6%	



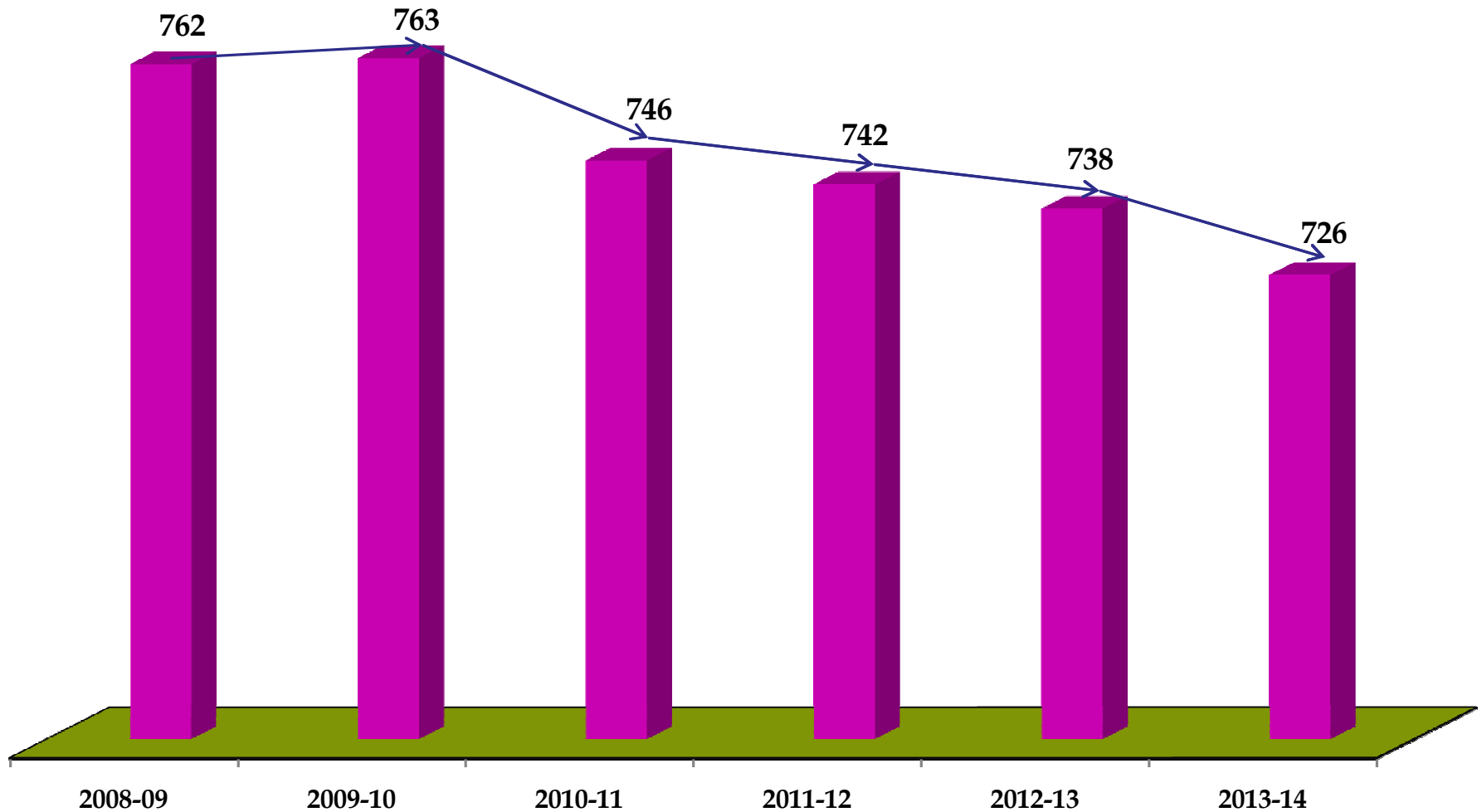
Major Performance Indicators

Power Consumption (Kwh./ MT of cement)



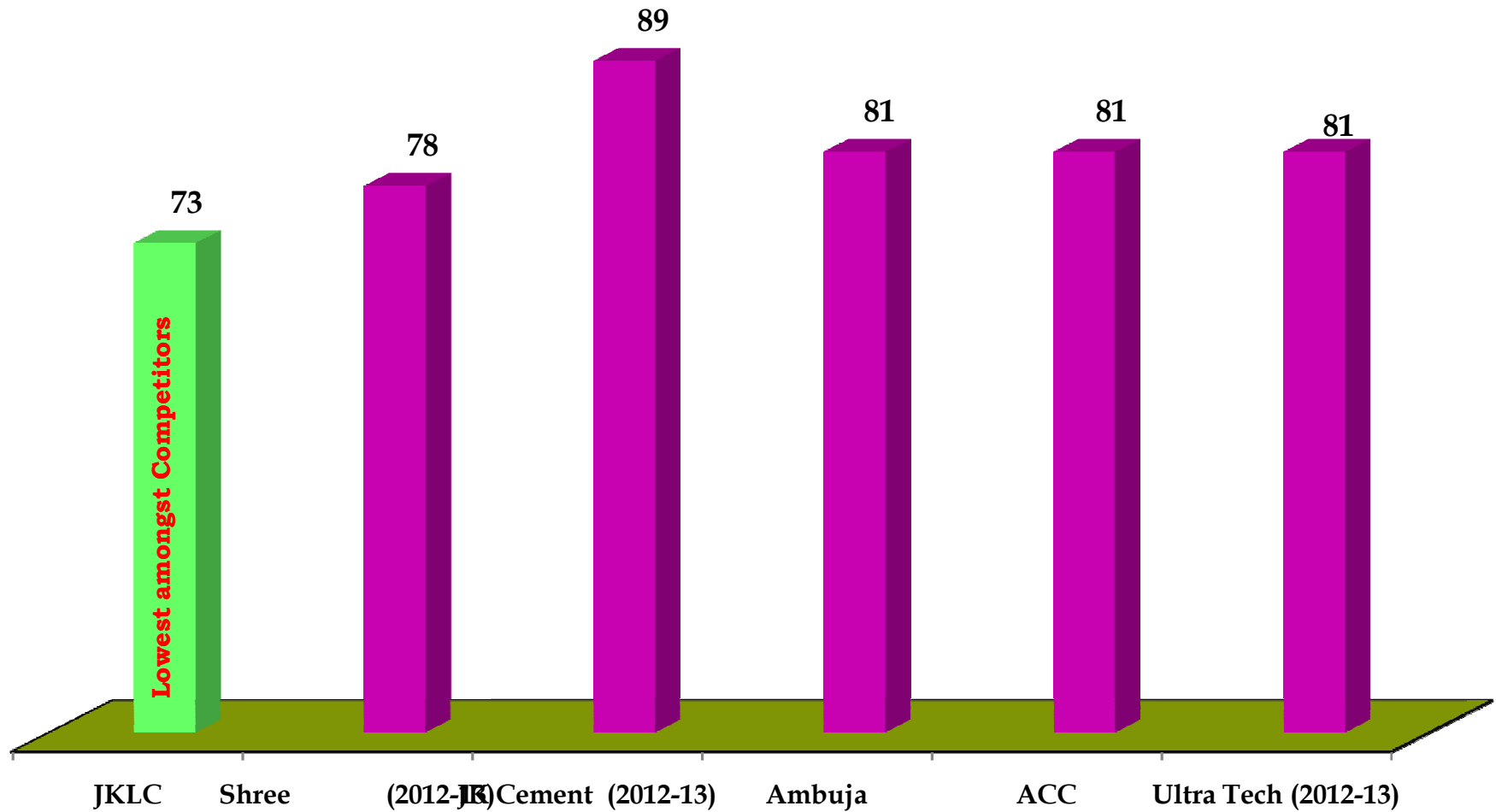
Major Performance Indicators

Fuel Consumption (K.Cal./Kg.of clinker)



Comparative Power Consumption 2013-14

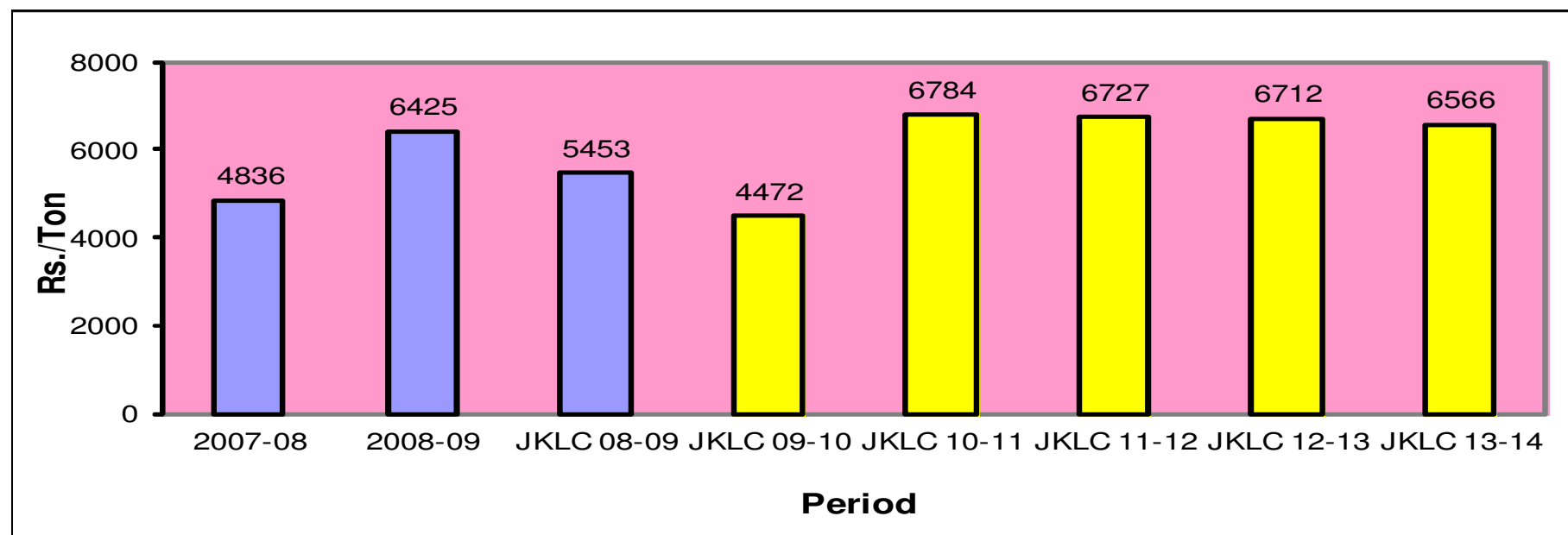
Kwh/MT of Cement



Fuel Cost 2007-14

FUEL COST 2007-14

		Rs/MT
AVERAGE LANDED COST OF RIL PETCOKE	2007-08	4836
AVERAGE LANDED COST OF RIL PETCOKE	2008-09	6425
AVERAGE COST JKLCL's BLENDED FUEL	JKLC 08-09	5453
AVERAGE COST JKLCL's BLENDED FUEL	JKLC 09-10	4472
AVERAGE COST JKLCL's BLENDED FUEL	JKLC 10-11	6784
AVERAGE COST JKLCL's BLENDED FUEL	JKLC 11-12	6727
AVERAGE COST JKLCL's BLENDED FUEL	JKLC 12-13	6712
AVERAGE COST JKLCL's BLENDED FUEL	JKLC 13-14	6566



KEY FINANCIAL RATIOS

Particulars	Unit	2010-11	2011-12	2012-13	2013-14
Operating Profit Margin (net of Excise)	%	14	19	21	15
Interest Coverage	Times	4	5	6	4
Total Debt / Equity	Times	0.97	0.96	1.09	1.27
Net Debt / Equity	Times	0.37	0.48	0.77	0.95



PE (x) of some Cement Companies

Sl No.	Company	CMP Rs. on 27.05.14	EPS Trailing 12 Months	PE (X)
1	JK Lakshmi Cement Ltd. *	175	7.90	22
2	Mangalam Cement Ltd.	167	11.09	15
3	JK Cement Ltd.	336	13.88	24
4	Shree Cement Ltd.	6822	228.07	30
5	ACC Ltd.	1331	56.29	24
6	Ambuja Cement Ltd. **	208	8.56	24
7	Ultratech Cement Ltd.	2264	78.21	29

* Face Value Rs. 5/- each

** Face Value Rs. 2/- each

Note : EPS Trailing 12 Months is for the period Apr.13 to Mar.14 .



Comparative Enterprise Value of some Cement Companies

S.No	Particulars	Unit	JKLC	Mangalam Cement	JK Cement	Shree Cement	ACC	Ambuja Cement	Ultratech Cement
1	Share Price (As on 27.05.2014)	Rs.	175	167	336	6,822	1,331	208	2,264
2	Equity Shares O/s nos.	Cr.	11.77	2.67	6.99	3.48	18.80	154.22	27.42
3	Market Capitalization (As on 27.05.2014)	Rs. Cr.	2,057	446	2,350	23,766	25,007	32,109	62,083
4	Total Debt O/s	Rs. Cr.	1,631	211	1,272	1,288	163	43	5,409
5	Sub Total (3 + 4)	Rs. Cr.	3,689	657	3,621	25,054	25,170	32,151	67,491
6	Less Cash Balance	Rs. Cr.	375	92	502	2,573	3,037	3,798	3,270
7	Enterprise Value (EV) (5 - 6)	Rs. Cr.	3,313	565	3,120	22,481	22,133	28,354	64,222
8	Capacity	Lac. MT	66.50	20.00	79.20	135.00	286.83	273.50	487.50
9	EV per Ton (7 / 8)	Rs / MT	4,982	2,825	3,939	16,653	7,716	10,367	13,174
10	EV per Ton (1 US \$ = Rs.60)	US \$	83	47	66	278	129	173	220



Demand Supply Scenario – All India

Qty. Mn. MT

S. No.	PARTICULARS	2011 - 12	2012-13	2013-14	2014-15
				(Estimated)	
1	Opening Capacity	302	327	351	385
2	Capacity Additions during the year	25	24	34	18
3	Capacity at end of the year	327	351	385	403
4	Average Capacity	314	339	368	394
5	Cement Domestic Demand	222	233	238	250
6	Domestic Demand Growth %	6	5	2	5
7	Exports - Cement & Clinker	5	5	5	5
8	Total Despatches	227	238	243	255
9	Surplus	87	101	125	139
10	Surplus as % of Average Capacity	28%	30%	34%	35%
11	Capacity Utilisation %	72%	70%	66%	65%



Demand Supply Scenario – Our Zone (North + Gujarat)

Qty. Mn. MT

S. No.	PARTICULARS	2011 - 12	2012-13	2013-14	2014-15
				(Estimated)	
1	Opening Capacity	94	97	98	105
2	Capacity Additions during the year	3	1	7	11
3	Capacity at end of the year	97	98	105	116
4	Average Capacity	95	97	101	110
5	Cement Domestic Demand	76	79	77	81
6	Domestic Demand Growth %	11	4	-3	5
7	Exports - Cement & Clinker	5	4	4	4
8	Total Despatches	80	83	81	85
9	Surplus	15	14	20	25
10	Surplus as % of Average Capacity	16%	14%	20%	23%
11	Capacity Utilisation %	84%	86%	80%	77%



Greenfield Cement Plant – Durg (Chhattisgarh)

S.No.	Particulars	Rs. Cr.
1	Capacity (Lac. Tons)	27.00
2	Project Cost	1,750
3	Debt	1,200
4	Internal Accruals	550
5	Debt : Equity Ratio	2.18
6	CAPEX upto Mar.'14	1,116

Expected Commissioning -

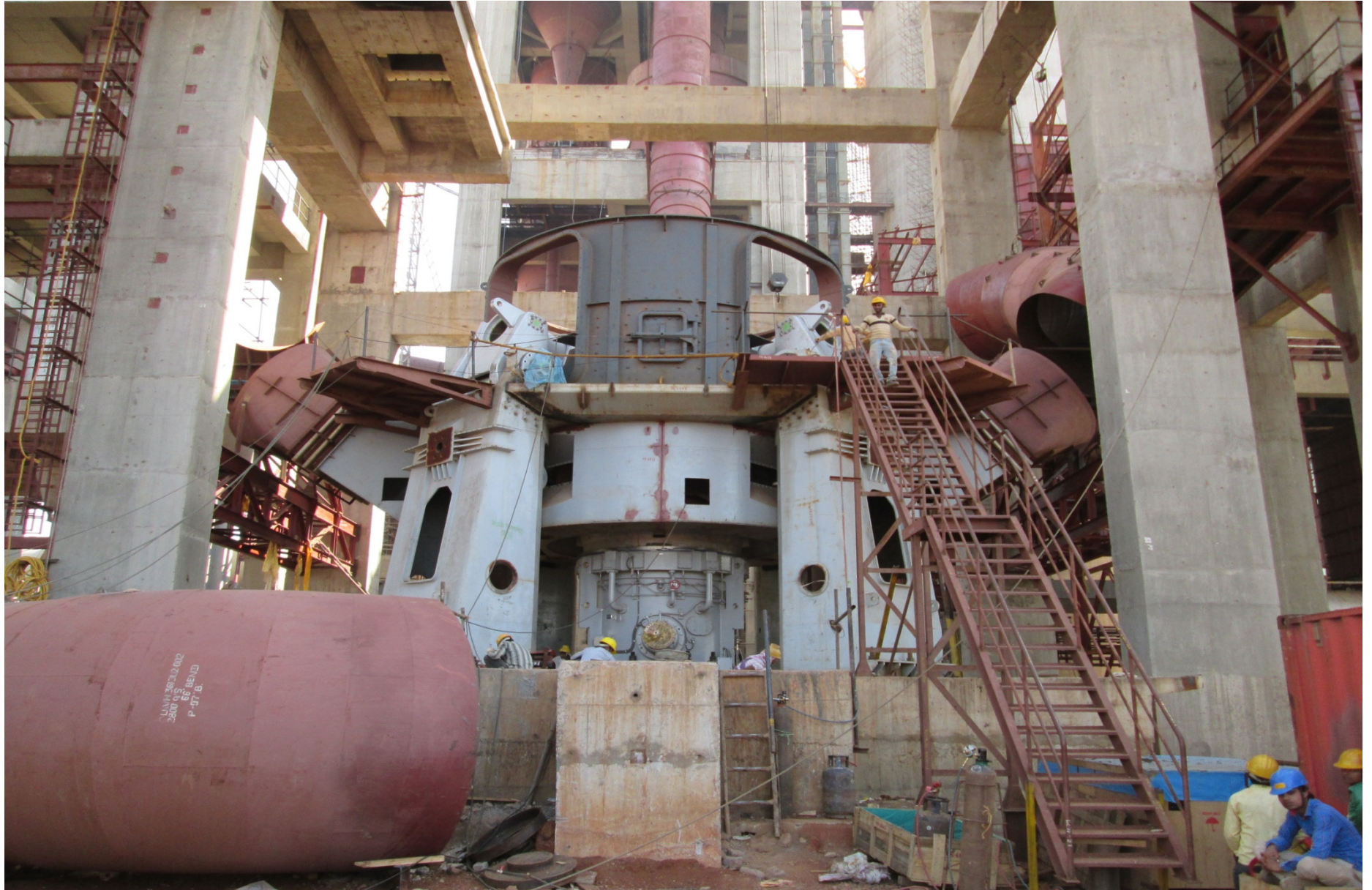
Oct. - Dec'14



Greenfield Cement Plant – Durg (Chhattisgarh) Raw Mill Building



Greenfield Cement Plant – Durg (Chhattisgarh) Raw Mill



Greenfield Cement Plant – Durg (Chhattisgarh) Kiln



Greenfield Cement Plant – Durg (Chhattisgarh) Raw Mill Silo & Preheater



Augmentation of Kiln-I Capacity from 3000 TPD to 4000 TPD

S.No.	Particulars	Rs. Cr.
1	Capacity (Lac. Tons)	3.30
2	Project Cost	135
3	Debt	100
4	Internal Accruals	35
5	Debt : Equity Ratio	2.86

Kiln - Commissioned in Feb'14.

2MW WHR to be commissioned by Jun'14.



Grinding Unit – Jhajjar Expansion

S.No.	Particulars	Rs. Cr.
1	Capacity (Lac. Tons)	6.50
2	Project Cost	130
3	Debt	90
4	Internal Accruals	40
5	Debt : Equity Ratio	2.25

Cement Mill Commissioned in Mar'14

Packing Plant to be Commissioned by Jun'14



Split Grinding Unit - Surat

SI No.	Particulars	Rs. Cr.
1	Capacity (Lac. Tons)	6.50
2	Project Cost	150
3	Debt	100
4	Internal Accruals	50
5	Debt : Equity Ratio	2.00
6	CAPEX upto Mar.'14	65

Expected Commissioning -

Jun'15



Six Mega Watt. Solar Power project

S.No.	Particulars	Rs. Cr.
1	Capacity (MW)	6
2	Project Cost	55
3	Debt	40
4	Internal Accruals	15
5	Debt : Equity Ratio	2.67

Commissioned -

Jan'14



Power Availability

Sl. No.	Source of Power	Capacity MW	Cost/Unit Rs./Kwh
1	Existing Thermal Power Plant	36	3.80
2	Green Power Plant	12	0.45
3	New Thermal Power Plant	18	3.80
4	Supplies from 3rd Party (VS Lignite)	21	3.94
5	Solar Power	6	1.10
5	Total Availability	93	3.23
6	Less : Captive requirement	67	
7	Net Availability for Sale	26	



Impediments for further growth

- 1. Availability of Limestone Mines.**
- 2. Acquisition of Land.**
- 3. Environmental clearances.**
- 4. Surplus land for further growth at existing side.**
- 5. Capital Cost.**



Growth Opportunity - UCWL

Revival of M/s Udaipur Cement Works Limited (UCWL) with Capacity of 1.4 Mn. MT

Cost of Revival & Rehabilitation :

Rs. Cr.

<u>Cost</u>	
1. Plant upgradation including Working Capital Margin	434
2. OTS with Secured Lenders	70
3. Settlement of ZCRPS	5
4. Settlement of Statutory and other liabilities	<u>41</u>
Total	<u>550</u>

Expected Commissioning – July'15



Growth Opportunity - UCWL

Revival of M/s Udaipur Cement Works Limited (UCWL)

Means of Financing for Revival & Rehabilitation :

Rs. Cr.

Means of Finance

A. Equity

1. Equity/other instruments from JKLC	150
2. Compulsorily Convertible Debentures	10
3. Internal Accruals	<u>15</u>
Total Equity	<u>175</u>

B. Term Loan from Bank/Fis 375

Total (A+B) 550



Advantages to JKLC from UCWL

1. Land and Limestone Mines are available.
2. Environmental clearances are in place.
3. Major Plants orders released in March-April'14 .
4. Can commence operations in about 2 years as compared to 4 to 5 years required for new cement project.
5. Investment cost in UCWL will be US \$ 71 per MT as against the cost of US \$ 120 per MT for a new Green field Cement Plant i.e., about 40% cheaper.
6. The plant has an excellent location, well connected by Road, Rail & Air and is close to the National Highway.
7. The plant is having railway siding – easy movements of goods.
8. The accumulated tax losses of UCWL of over Rs.100 Cr. will result in tax savings in future years.
9. The combined capacities of JKLC & UCWL would increase the market share and consolidation of capacities would give benefits of synergy & logistics.

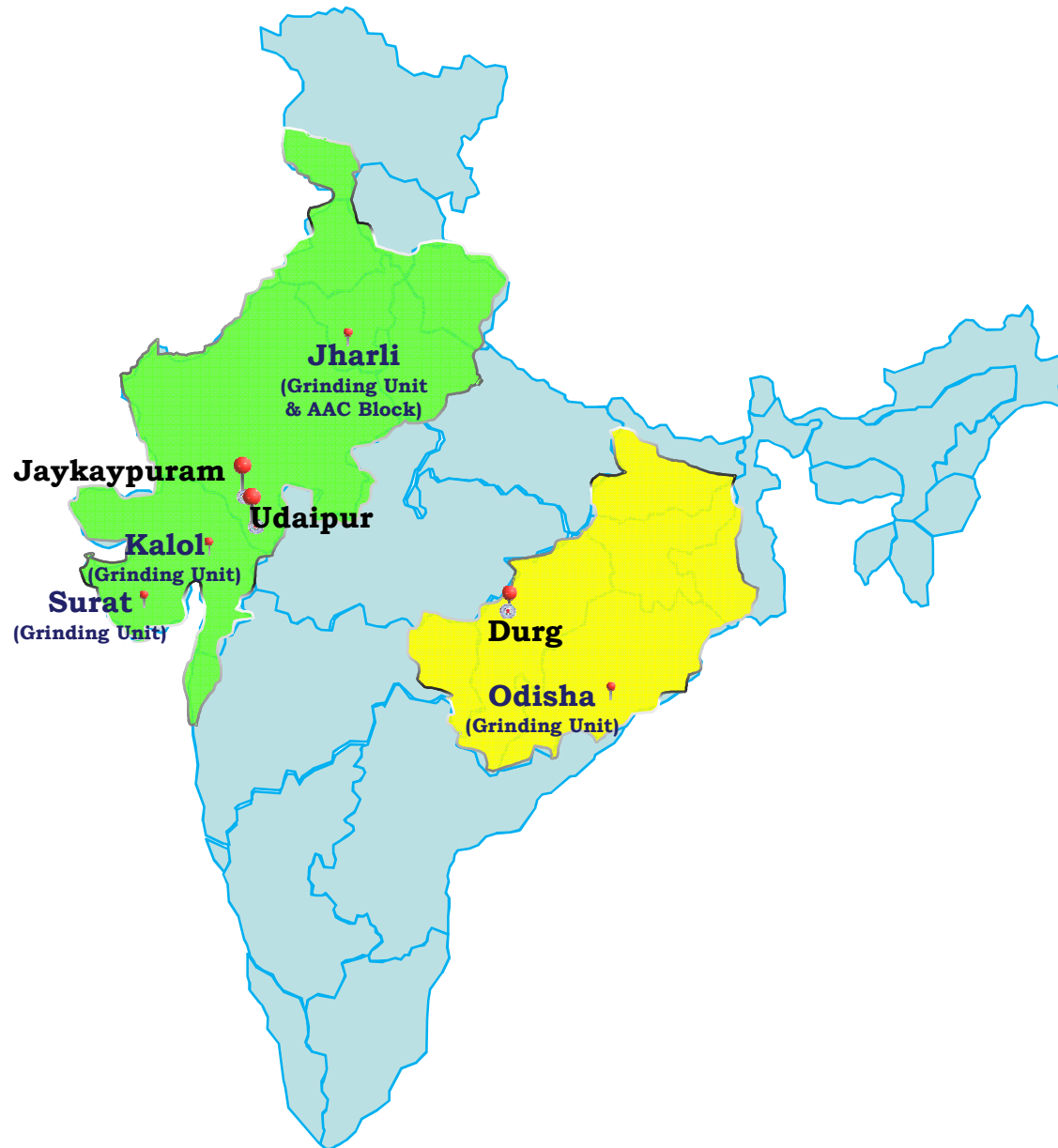


Other Advantages of UCWL Revival

1. Availability of surplus land for commercial use and further expansion.
2. After full Capitalisation of UCWL, the Group shall have 97% holding with JKLC holding being 86%.
3. Future option for JKLC : → Merger/Dilution in Stake for future Growth in JKLC.



Mother Plants and Supplying Markets



Shareholding Pattern as on 31st Mar. 2014

I	Promoters & Promoter Group	45.96%
II	Financial Institutions and Banks	17.52%
III	Public	36.52%
	Total	100.00%
I	Total Share Capital (Rs. Cr.)	58.85
II	Total No. of Shares (Cr.) (Face Value Rs. 5/- each)	11.77



Shareholder's friendly Initiatives

1. Buy-back upto Rs. 97.50 Crore at a Cap of Rs. 70/- per share.

Cap of Rs. 70/- per share represents :

- 57% Premium over 12 months average price.
- 68% Premium over 6 months average price.
- 67% Premium over 3 months average price.
- 66% Premium over 1 months average price.
- 43% Premium over 15 days average price.

- **The Company Utilised only Rs. 30.47 Crore for the Buy-back**

2. Share Split from - Rs. 10/- per share into 2 Shares of Rs. 5/- each.



Shareholder's friendly Initiatives (Contd..)

3. Consistent Growing Dividend Rate

- 40% for FY 2014.
- 50% for FY 2013.
- 40% for FY 2012.
- 25% for FY 2011.

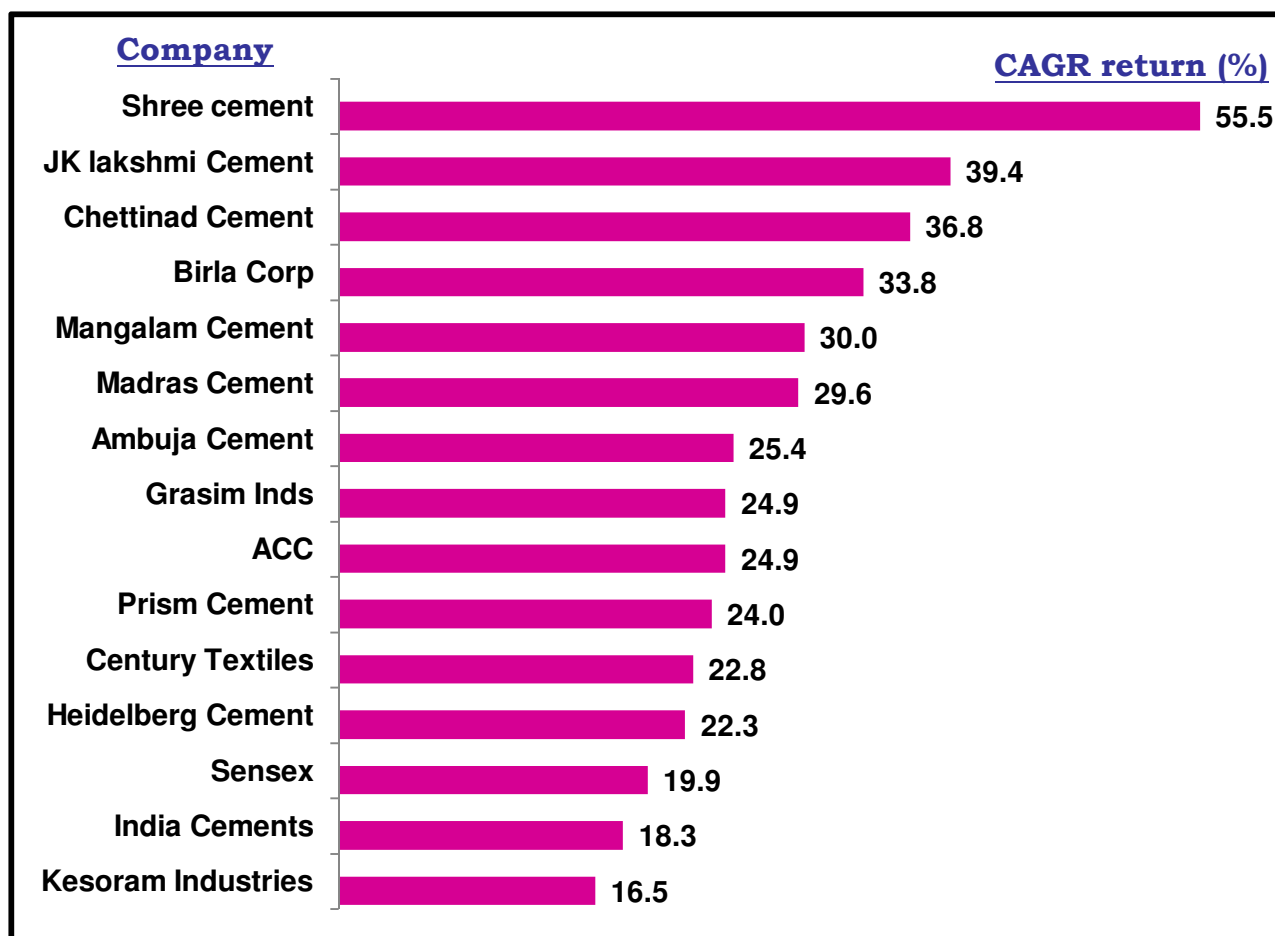
4. High Dividend Payout Ratio

- 30% for FY 2014.
- 20% for FY 2013.
- 25% for FY 2012.
- 30% for FY 2011.



JKLC among Best Performers on the bourses

Annualised Stock Price Return since January 2003



Source : Capitaline, BSE, BCCI Annual Report/Business Standard 30.05.13



Guidance for 2014-15

- Additional low cost power through 12 MW Green Power, 6MW of Solar Power and low cost fuel through use of Bio-mass fuel.
- Augmentation of Kiln-I resulting in enhancement of Clinker capacity by 3.30 Lac. MT.
- Addition in Cement Grinding Capacity with Split Grinding Units at Jhajjar(II).
- Borrowing through CP / Buyers / Suppliers Credit & swapping in higher yield instruments.
- Reduction in Borrowing Cost on LT Loans through annual resetting.
- Further improvement in efficiencies.
- Trading in surplus Power and Purchase of Power at Cheaper rate at Grinding Units through Exchange.
- All Treasury incomes including Short Term Capital Gains to be Tax Free.



Way Forward

- Focus on Value Added Products : RMC & AAC Blocks
- Increasing volumes through split location Grinding unit and outsourcing Grinding Arrangement.
- Short term rating continues at **PR 1+ (highest possible rating)**.
- JKLC continues to enjoy AA- Rating.
- Would become a 10 Mn Tonne Cement Company by mid 2015.



JKLC to breach 10 Mn MT by Sep'15.

- **JKLC Capacity to go up from 6.6 Mn. MT to 10 Mn. MT.**
- **Surplus Power of 20-25 MW in JKLC, Rajasthan Plant.**
- **Efficiency Parameters amongst best in Business.**
- **Key Financial Ratios well within accepted Norms.**
- **Becoming PAN India Player (Barring South).**



Thank You

